



Public Service Commission of Wisconsin

Burneatta Bridge, Chairperson
Robert M. Garvin, Commissioner
Mark Meyer, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

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Contact: Linda Barth or Stephanie Marquis
(608) 266-9600

PSC Significantly Reduces Fuel Rate Request and Grants WPS Customers Refund

MADISON – Today, the Public Service Commission reviewed the application filed by Wisconsin Public Service Corporation (WPS) for a fuel rate increase associated with higher costs for fuel and purchased power used for generating electricity. The Commission has lowered an interim fuel cost increase and WPS customers will receive a refund on their electric bills.

WPS filed an application in February 2004 requesting an electric fuel-only increase of \$7.4 million, or about a 1.1 percent increase in retail rates for 2004, and asked for an interim fuel rate increase to cover fuel costs. The Commission granted approximately \$6.0 million in April for the interim request. Those funds were subject to 12% interest if the Commission later determined that the interim request was not reasonable.

Today, the Commission reviewed the audit performed by PSC staff for WPS' updated 2004 fuel costs. The Commission determined that the interim fuel increase granted to WPS in April should be reduced due to an unusually cool summer and fuel markets have lowered the overall fuel costs for the utility.

WPS residential customers will see a refund for the interim fuel rate increase of approximately \$1.25 on their bills. The overall electric fuel-only increase granted by the Commission totals nearly \$3.2 million, instead of the \$7.4 million originally requested. This represents an increase of approximately 0.5 percent.

The public and technical hearing was held on July 22 in Madison regarding WPS' application to revise 2004 fuel costs. The testimony provided at the hearing became part of the record developed for the Commission to review as it considered all the aspects of the application.

PSC staff is expected to complete the written order of the Commission's finalized decisions by September 24, 2004.

The documents associated with this case can be viewed on our Electronic Repository System at <http://psc.wi.gov/>. Click on ERF System, select Search Electronic Repository System and enter docket #6690-UR-115.

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